Ford Site Planning Task Force
June 11, 2007
Lumen Christi Catholic Church

Meeting #8.5 Summary

Ford Site Planning Task Force members present: Carole Faricy, Co-Chair, Peter Armstrong, Shawn Bartsh, James Bricher, Richard Broderick, Ronnie Brooks, David Drach, Terri Dooher Fleming, Charles Hathaway, Deborah Karasov, Angela Kline, Gary Marx, Lance Neckar, Jim Reinitz, Dennis Rosemark, Dave Sellergren, Matthew Schruerger, Stuart Simek, Bruce Valen, Stephanie Warne **Absent:** William Klein, Scott Malcolm, Morgan Tamsky, Ellen Watters, Pam Wheelock

City Staff, others agency reps or consultants present: Merritt Clapp-Smith (PED), Luis Pereira (PED), John Marshall (Ward 3), Bill Vitek (EDAW), Bob Close and Bruce Jacobson (Close Landscape Architects), Randal Tweden (ESG), Fred Dock (Iteris), Caren Dewar (Dewar), Tom Lincoln (URS), Monte Hilleman (Port Authority), Jeff Patterson and Rodger Skare (Colliers).

Others Attending (based on meeting sign-in sheet): Russ Adams, Michael Balean, Claudia Dieter, Dan Foote, Lynn Hinkle, Stanley Kasal, Susan Kimberly and J**a**ne McClure.

The meeting was called to order by co-chair Carole Faricy at 6:35 PM. Merritt Clapp-Smith, PED's Ford Site Planning Project manager, announced PED would soon be posting answers to frequently asked questions on the Ford Site Planning website based on index cards submitted with questions/comments at the last public meeting June 5th public meeting. At a previous Ford Site Planning Task Force (TF) meeting, several TF members had inquired about the value of various land uses based on the level of property taxes generated. City staff handed out a table they made showing tax information for a variety of properties around the site, which showed that generally that retail uses provide the highest level of taxes per acre, followed by residential (single and multifamily are comparable), and then industrial uses, which provide the least taxes per acre. The CP railroad yard property is exempt from property taxation.

Next, Bill Vitek of EDAW asked the TF whether they had filled out the matrix to evaluate the latest iteration of land use scenarios (unveiled last TF meeting) against the TF goals and objectives. He said it could be used later on as a way to help evaluate each one.

Jeff Patterson of Colliers gave another short presentation on the market supportability of each of the latest scenarios. He and his team did valuations of each scenario to determine the likely value (price) that Ford might receive if selling the land for such uses. Colliers also determined that the square footage of office space as proposed in scenarios #3 and #5 was too robust for the market to support, so Colliers developed alternative schemes 3B and 5B with less office space. Patterson reviewed again their analysis of what the market could support in terms of various land uses: 100,000-200,000 sq. ft. neighborhood retail, 25-35 acres of light industrial/flex tech uses, multi-tenant office space of 100,000-200,000 sq. ft, a modest potential for a corporate headquarters, a potential 400 – 1,500 dwelling units on the site, and strong potential for a major institutional use. This analysis included basic assumptions: the land is able to be cleared of significant contamination; the underground tunnels do not affect land uses on the site; new subdivision costs are unaccounted for; and in general, the market is positive. Patterson said he would present an "order of magnitude analysis" that would give the TF the gross value or return to the developer, without subtracting from this the costs of infrastructure and contamination cleanup.

The first scenario, the mainly-industrial AUAR baseline, yielded a land value of $7.31/s.f., or $318,000/per acre. The future value of this scenario was approximately $46 million, which includes the values of two retained buildings. Patterson and his assistant Rodger Skare clarified that this was not today's value, but rather, the value of "pad-ready" development sites that would be sold off over a 3 year absorption period (starting in the 3rd quarter of 2008). They emphasized that the level of variation in value estimates between the scenarios is key, not the actual numbers.

The second scenario, of mixed uses/partially-light industrial & flex tech uses, yielded a land value of $8.88/s.f, or $387,000/acre. The future value of this scenario was approximately $55 million, over an absorption period of 4 years.

The third scenario (3A), of mixed uses with an emphasis on office/institutional uses (1.5 million s.f.), yielded a land value of $9.65/s.f, or $420.000/acre. The future value of this scenario was approximately $60 million, over an absorption period of 6 years.

Colliers also did an analysis of a scenario 3B, which was like 3A, except the office/institutional allocation was scaled back to 750,000 s.f. based on a consideration of what the market could support. Patterson again stressed that this amount of office space must be at least 50% occupied by a single tenant/user (i.e. a 750,000 s.f., like a Medtronic Campus). With less office space, 12 acres are "freed up" for medium density apartments and townhomes at a density of 25 dwelling units/acre (an additional 312 residential units). Scenario 3B yielded a land value of $10.14, or $442,000/acre. The future value of this scenario was approximately $63 million, over an absorption period of 5 years.

The fourth scenario, a mixed use urban village, yielded a land value of $12.56/s.f, or $547,000/acre. The future value of this scenario was approximately $74 million, over an absorption period of 6 years. This scenario had a total of 1,500 dwelling units, and 150,000 s.f. of retail space.

The fifth scenario, a mixed use, high density urban transit village, yielded a land value of $13.76 / s.f, or $600,000/acre. This scenario again assumed a large amount of office space, 1.5 million square feet. The future value of this scenario was approximately $81 million, spread over an absorption period of 8 years.

Colliers also did an analysis of a scenario 5B, which again was like 5A, except the office space was reduced to 375,000 s.f. based on a consideration of what the market could support. With less office space, the additional acreage and vertical integration and density allows for an additional 226 residential units. This revised scenario yielded a land value of $14.29 / s.f., or $622,000 / acre. The future value of this scenario was approximately $85 million, spread over an 8 year absorption period.

Patterson then presented a chart that compared the scenario valuations, showing the range of potential, from $46 million to $85 million, spread over varying absorption periods of 3-8 years in length. Rodger Skare noted that as the absorption period is reduced, these valuations would generally go up; he also responded to TF questions regarding how to interpret these values by saying that Colliers could provide *present* values of each scenario, to give the TF a sense of these levels in today's dollars. Colliers also stated that in general, the more dense the neighborhood, the more successful the model of "condos over retail space" becomes. They also noted that remediation costs will vary across each scenario, based on the particular land use mix, with a higher level of residential meaning more remediation.

The TF discussed the current "value" of the Ford site. The Ramsey County Assessor's Office attributes a $57 million assessed value to it. This value also represents a recent change in how commercial /industrial property is taxed. Ford Motor is aware that the assessed value doubled in the past couple years, and in 2006, $1.2 million in taxes were generated for the site.

Next, Dan Foote spoke to the TF, representing the Ford Business Advisory Group, a joint group established by the Highland Business Association and the St. Paul Area Chamber of Commerce. Foote told the TF that Mark Moeller was chair of the group, which had met 8 times to discuss the Ford site planning and had prepared a set of recommendations regarding the work and the site's development, which they sent in a memo to the TF. Foote highlighted these points. First, they felt that "heavy–handed regulation" will discourage the market. An example of "heavy-handedness" is if the Ford site is held for only manufacturing use for 2+ years. Another example of heavy-handedness is if the redevelopment plan is not flexible enough to change as market forces change. Secondly, the Ford Business Advisory Group stated that any redevelopment plan must generate at

least 2,000 jobs. Thirdly, the group stated that CP railroad corridor must be preserved/used for vehicular and other transit modes, as in scheme #2. Fourthly, as more economic development is spurred with active recreational uses, green space on the Ford site should be devoted more to active use than passive use. Foote also stated that the Ford Business Advisory Group calls for a minimum of $1.5 million in tax generation for the reused property, and said that the Ford Business Advisory Group will remain intact until through phase two of the Ford Site Planning process.

Questions/comments to Mr. Foote included:

- Regarding job creation, how does the Ford Business Advisory Group views entry-level jobs, especially retail jobs? Foote responded by saying that for example, as scenario #4 didn't produce at least 2,000 jobs (based on Port Authority analysis), it did not meet the Ford Business Advisory Group's bench mark. In terms of the mix between retail vs. professional jobs, this is a hard issue, as there is a struggle to balance this everywhere. Taxation comes from business value.
- Is the Ford Business Advisory Group is concerned about traffic? Foote responded that the Ford Business Advisory Group is concerned, and that hopefully the CP railroad right of way can be used to help alleviate traffic, though it is harder to get more specific at this early point. Shawn Bartsh stated that the HBA supports CP railroad ROW as a road
- Bill Vitek said that refined traffic numbers from Fred Dock would be presented tonight, but stated that the way roads are proposed for layout in each scenario will affect traffic patterns generally. For instance, scenario #1 has a pretty minimal pattern of roads, leaving the industrial use (and some buildings) fairly intact, whereas scenario 3 has a more finer grained pattern or roads to serve more dense land uses. Scenario 5 has larger block patterns for multifamily development. At this point, the scenarios do not yet assign traffic to specific roads, but that will come with phase two work.

Fred Dock of Iteris presented new traffic numbers, and stated that a larger mix of land uses on site does affect vehicular trip generation – for instance, scenario 5A vs. 5B; the latter has more internal "trip capture", as residential uses are increased. As the mixing of land uses increases, the range of possible trips also narrows across the scenarios (from 1,500-2,200 new trips). The hope is to get to a relative balance of trips, from 8-10% range of difference (it is rare to get over a 15% difference on a given site). A "balance" is supported by the argument for a little less office/institutional uses and more residential units. Dock stated that the "average daily trips" are never experienced by any one person at this site, as people are typically only at this site for a limited time. The level of afternoon/evening trips at the peak is more important. Dock stated that the AUAR will look at Montreal, Mount Curve, and other adjacent streets in determining traffic impacts.

Next, Co-chair Faricy announced that tonight was the TF's last chance to make revisions to the scenarios, and she said that changes should be made in the form of a motion and that the TF would vote on each motion. The actual number of scenarios - 3, 4, or 5 – made little difference from a phase two cost perspective, as the incremental cost of analyzing one or two more scenarios during the AUAR is minimal. Clapp-Smith emphasized the need to have enough scenarios to explore the range of possible impacts at this site.

The TF had a discussion about the scenarios:

- A TF member commented that the scenario designs were deceptive in that many showed a great deal of detail about the open space, including the use of stormwater, but at this early point, the scenarios should look more like zoning "bubbles," as stormwater is at a sub-zoning level. She also argued that the Consultant Team ought to look at public infrastructure of stormwater management more carefully. A second TF member seconded these concerns, and questioned whether there should be such level of detail across illustrations, and pointed out that some show building footprints, and others do not. If this level of detail is warranted at this point, he argued open space ought to have the same level of detail as that buildings do, and that a connected system of stormwater management should move from the north to the south, across the site. Assumptions about acreage are needed to understand the open space, as well as buildings

- Lance Neckar presented his modified version scenario #2, in which the greenspace and stormwater on the industrial parcels were more highly delineated. He made a motion to replace scenario #2 as developed by the Consultant Team with his modified scenario #2.
  The motion **passed.**

- A discussion followed about density, tradeoffs, and what range of variation to include across the scenarios:
  - A TF member argued that even if more dense development wouldn't happen right away, that the CP rail yard should still be dedicated right of way for multimodal transportation over time, with average residential densities at 15-20 units/acre. These ought to be baseline assumptions in *every* scenario.
    - Another TF member questioned this argument, asking whether the group even could eliminate the lower density scenarios and reuse of the CP rail for something other than transit because the AUAR requires analysis of a range of densities and reuses of the CP rail corridor. This doesn't mean that it isn't the ultimate goal to preserve the corridor for multimodal transportation.
  - Another TF member opined that the higher density development along Mississippi River Boulevard (as proposed in scenario #5) was problematic to him. He said he wasn't arguing for the TF to eliminate that, but wanted to hear more discussion about it from Task Force.
    - Two other TF members agreed that nothing should be ruled out.
    - Another TF member said he was now confused, that he thought the group was supposed to draw some bounds, just as they had already said the ballparks could not be eliminated from any scenario, or as they had said that none of the scenarios could be all open space
    - Another TF member said that her comment about #5 was more about design, arguing that the high density development and open space are not sufficiently connected, and that if #5 is about a tradeoff between density and open space, it is *not* currently shown.
- Another TF member became more philosophical, saying that there ought to be more consistency across scenarios, saying that if there ***are*** critical issues, then they should become baseline assumptions across all of them, for example that a porous street grid is important, that open space must be connected, etc.
- Bill Vitek responded by saying that certainly, a framework of open space is important, as well as other frameworks. He asked the TF whether state of the art open space is a key value? Should it be a precedent-setting site for open space and stormwater? Bob Close of the Consultant Team added that Heritage Park in Minneapolis has a strong green framework, in which bikes, cars, and transit operate along a boulevard, and it is still very functional.
- David Drach, TF member and CP rail representative, said that what was missing from the scenarios was an approach that starts with the river corridor, and moves back from there. He argued that industrial does not fit along the boulevard, and that this river area ought to be opened up to the public, and made more walkable. He also added that the status of the rail corridor is way beyond the control of the TF and said that they ought not get too locked into this being used for light rail transit. The site "should be a catalyst for the region."
- Another TF member said that the site should maintain the character of community, which for 75-85 years *has been* a factory. Given this history, it ought to remain as a factory. He said that it is within our right to ask for connectivity, for a respect for the river, and for family-sustaining jobs

- Co-chair Faricy announced that only 20 minutes remained in the meeting, and given that there had been only one resolution, the TF would need to move swiftly to make motions. Clapp-Smith said that the TF needed to provide specific feedback on how the scenarios should be changed (if at all).

- Another TF member said that scenario #4 comes "closest to what neighbors want" and should be kept in the AUAR analysis to be tested. She made a motion:
  - That in scenario #4, the CP rail corridor be used exclusively for a road to alleviate vehicular traffic.
  - Dave Sellergren, Ford's representative on the TF, made an amendment to this motion, saying that the square footage of retail must increase to 225,000 s.f.
  - The original maker of the motion also moved that there ought to be plenty of shared parking structures in any scenario, and that in at least one scenario, a traditional street grid pattern must

be kept. She also moved that the retail focus should be kept on Ford, and that this was okay if in other scenarios
    - Another TF member pointed out that #4 fails to create enough jobs. The maker of the motion said this was okay for one scenario.
    - The motion **passed.**

- Another TF member made a motion that all scenarios must not preclude multimodal transportation on the CP railroad right-of-way, to connect across the Ford site and then across the Ford Bridge.
    - This motion was amended to say that they should make an exception for scenario #4, to keep it as it had been voted on in the previous motion.
    - The motion **passed.**

- Another TF member argued that there was too much space devoted to loading docks in the industrial scenarios, and he made a motion that more green "fingers" be used to connect the neighborhood to the river. The motion **failed.**

- Another TF member made a motion that the revised office space and residential numbers, as proposed by Colliers in their #3B and #5B alternatives, replace the numbers in the original scenarios #3(A) and #5(A). The motion **passed.**

- Another TF member made a motion, including the following: 1) To move Mississippi River Boulevard back to its original alignment in #5B (increasing the setback from the boulevard of the multifamily housing proposed just east of the boulevard, and 2) In realigning Mississippi River Boulevard, a green space connection to the interior be included.
  The motion **passed.**

- One TF member lamented that one thing the group was not doing was proposing a new form of green industrial park – as a progressive idea.
- Another TF member asked if there was a way to test a scenario that was traffic neutral?
- Bill Vitek asked the TF if they wanted to push the office numbers in scenario #3 (the now-adopted scenario #3B) up from 750,000 s.f. to 1 million s.f. for the AUAR analysis?
    - A TF member asked the group: How far do you push it beyond what we think the market will support?
    - The TF said that 750,000 s.f. of office was acceptable for scenario #3.

The meeting adjourned at 9:20 p.m.